


Below is an order of the court.



THOMAS M. RENN
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re

4 Him Food Group, LLC, an Oregon
corporation, dba **Cosmos Creations**,
Debtor.

Case No. 19-62049-tmr11

**INTERIM ORDER AUTHORIZING USE
OF CASH COLLATERAL AND
GRANTING ADEQUATE PROTECTION**

This matter came before the Court pursuant to the Motion for Use of Cash Collateral on an Interim and Final Basis (Doc. 10) (the “**Motion**”), filed by debtor 4 Him Food Group, LLC (the “**Debtor**”). A hearing was held on July 10, 2019, to consider the relief requested in the Motion (the “**Hearing**”).

NOW, THEREFORE, for the reasons set forth on the record at the Hearing, it is hereby ORDERED:

1. The Debtor is authorized to use Cash Collateral (as defined in the Motion) until the Termination Date (as defined below), solely in accordance with the terms of this Order, to pay costs and expenses incurred by the Debtor in the ordinary course of its business, including administrative expenses, consistent with the budget attached hereto as **Exhibit A** (the “**Budget**”).

2. The Debtor's authority to use Cash Collateral is limited to the amounts set forth in the Budget; provided, however, that the Debtor may make expenditures in excess of said sums in the Budget so long as any variance shall not exceed 15% of any line-item set forth in the Budget, tested on a monthly basis. The Debtor may exceed such variances only with the prior written consent of the Secured Lenders (as defined in the Motion) or by subsequently entered order of this Court.

3. The Debtor shall not borrow money from any person or entity on a secured basis without first obtaining authority from the Court and consent from the Secured Lenders.

4. The Debtor's authority to use Cash Collateral, without further order of the Court issued after notice and hearing or the written consent of the Secured Lenders, shall automatically expire upon the earlier of (a) July 31, 2019, or (b) regardless of whether the Debtor has expended the entire amount set forth in the Budget, the failure by the Debtor to comply with any provision of this Order (such failure being an "**Event of Default**"), which failure is not remedied within five business days after delivery of notice of such failure by the Secured Lenders to the Debtor (the earlier of such dates, the "**Termination Date**"). Upon the Termination Date, the Debtor's authority to use or spend any further Cash Collateral shall automatically terminate unless and until the Debtor obtains the written consent of the Secured Lenders or a further order of this Court authorizing such use, issued after notice and an opportunity for a hearing; provided, however, that notwithstanding the occurrence of the Termination Date, the Debtor shall be authorized to use Cash Collateral to pay those budgeted amounts that have been incurred prior to the Termination Date.

5. As adequate protection for any Cash Collateral used by the Debtor, the Secured Lenders are hereby granted, pursuant to Sections 361(2) and 363(e) of the Bankruptcy Code, perfected liens of the same nature and kind as secured the claims of the Secured Lenders on the Petition Date ("**Replacement Liens**") to secure an amount of the Secured Lenders'

prepetition claims, up to the allowed amounts of such prepetition secured claims, equal to the extent of any diminution in the value of their prepetition collateral (“**Diminution**”) by reason of the use of Cash Collateral authorized herein. The Replacement Liens shall have the same priority as the Secured Lenders’ respective prepetition liens, and shall be subject to the same rights and defenses as those prepetition liens. The Replacement Liens shall not improve, nor shall anything in this Order be deemed to improve, any Secured Lender’s position or increase the amount of its allowed prepetition secured claim.

6. The Replacement Liens shall attach to all property and assets of the Debtor and its estate of the same kind or nature as a Secured Lender’s prepetition collateral, whether now owned or hereinafter acquired by the Debtor, and all products, proceeds, rents, issues or profits thereof; provided, however, the Replacement Liens shall not attach to property recoverable or recovered through the exercise of the powers granted under sections 506(c), 544, 545, 547, 548 and 549 of the Bankruptcy Code.

7. The Replacement Liens shall be in addition to all other security interests and liens securing the Secured Lenders’ allowed secured claim in existence on the Petition Date. Additionally, nothing in this Order shall abridge or limit the Secured Lenders’ security interest in proceeds, products, or profits to the extent provided under section 552 of the Bankruptcy Code.

8. The Replacement Liens hereunder shall at all times be senior to the rights of the Debtor and any successor trustee or estate representative in this case or any subsequent cases or proceedings under the Bankruptcy Code.

9. The Replacement Liens granted to the Secured Lenders by this Order shall be perfected and enforceable by operation of law upon execution and entry of this Order by the Court without regard to whether such security interests and liens are perfected under applicable non-Bankruptcy law.

10. A final hearing on the Debtor’s Motion for Authority to Use Cash Collateral shall be held by the Court in Courtroom 5 of the United States Bankruptcy Court for

the District of Oregon, 405 E. 8th Ave., Eugene, Oregon 97401, on July 31, 2019 at 1:30 p.m.

Any objections shall be filed by July 26, 2019.

11. A copy of this Order shall be served pursuant to FRBP 7004 within two (2) business days of entry of this Order upon: (a) the Debtor's 20 largest unsecured creditors; (b) any known creditors claiming a security interest in or lien on Cash Collateral; (c) the U.S. Trustee; and (d) all persons who have requested notice pursuant to Bankruptcy Rule 2002.

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CERTIFICATION OF COMPLIANCE WITH LBR 9021-1(a)(2)

I certify that I have complied with the requirements of LBR 9021-1(a)(2)(B), to the extent that, on July 11, 2019, I circulated copies of the Order to all of the secured parties appearing at the July 10, 2019 hearing plus contacts for OnDeck Capital and 2Loris LLC. Each of the parties participating at the June 10 hearing affirmatively consented to the form of Order. The other parties did not respond.

PRESENTED BY:

LEONARD LAW GROUP LLC

/s/ Timothy A. Solomon

Timothy A. Solomon, OSB 072573

Justin D. Leonard, OSB 033736

Holly C. Hayman, OSB 114146

Proposed Counsel to Debtor and Debtor in Possession

cc: Celtic Capital, c/o Hemar, Rousso & Heald, LLP, Attn: Christopher D. Crowell,
15910 Ventura Boulevard, 12th Floor, Encino, CA 91436



Interim Cash Collateral Budget

	1	2	3	4	5
	7/6	7/13	7/20	7/27	8/3
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from Customers AR	112,335	112,335	220,000	112,335	112,335
Total Collections	112,335	112,335	220,000	112,335	112,335
Cash Paid for Operating Expenses:					
<u>Purchase of Raw Goods</u>					
Agricor (Grain Millers)					19,741
Agriident			7,848		
Ciranda					
Columbus Vegetable Oils				36,624	
Domino Foods (C&H Sugar)			16,100		
Decopac					
Elite Spice					
Edward & Sons					
FONA International				2,124	
Glory Bee			317		528
Larsen's Creamery					1,293
Morrison/Nebraska Popcorn			5,313		
Nutrin					
The Food Source					13,000
TIDES (SW Financial)				36,117	
<u>Packaging Purchases</u>					
Film Purchases (bags)					129,425
Boxes			16,500		9,100
Pallets			1,400		
Payroll/payroll taxes (59 employees)		111,000		111,000	
Payroll (prepetition allowed payments)		5,621			
<u>Benefits</u>					
Pacific Source: Medical, FSA, COBRA Admin				19,988	
Standard: Life, Vision, Dental				4,660	
SAIF: Workers Comp			3,400		
Freight	17,000	17,000	17,000	17,000	17,000
Commissions	3,000	3,000	3,000	3,000	3,000
Inside Sales Team	4,580	4,580	4,580	4,580	4,187
Royalties					
Sales/Marketing	5,500	4,000	5,000	10,500	5,500
Insurance			2,694	2,700	
Office expenses	1,365	1,365	1,365	1,365	1,365
Auto expense	255	255	255	830	255
<u>Production expenses</u>	500	500	500	500	500
Aramark		4,000			
Industrial Source		7,000		5,000	
WCP Solutions/Western	1,200	1,200	1,200	1,200	1,200
<u>Repairs & Maint</u>	1,330	1,330	1,330	1,330	1,330
KS Kems			300		
Oregon Pest Control				190	
<u>Utilities</u>					
City of JC		993			
NW Natural Gas			1,400	1,273	
Rocky Mountain PP&L	6,536				
COMCAST 9679			364		
COMCAST-7798	670				670
COMCAST-7242				205	
COMCAST-4616	2,005				2,005
VERIZON	1,098				1,098
Quality Assurance & Control	1,100	1,100	1,100	1,100	1,100
Rent					
Taxes					
Fees & licenses	1,700	1,700	1,700	1,700	1,700
Contract Labor (overseas)				5,000	
Professional services	-	-	-	-	-
Misc	2,500	2,500	2,500	2,500	2,500
Total Cash Used in Operations	50,339	167,144	47,688	195,621	43,410

Net Cash Provided by Operating Activities	61,996	(54,809)	172,312	(83,286)	68,925
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Net Increase (Decrease) of Cash	\$ 61,996	\$ (54,809)	\$ 172,312	\$ (83,286)	\$ 68,925
Beginning Cash Position	\$ 2,800	\$ 64,796	\$ 9,987	\$ 182,299	\$ 99,013
Ending Cash Position	\$ 64,796	\$ 9,987	\$ 182,299	\$ 99,013	\$ 167,938